Fred Kindle
President and Chief Executive Officer

Michel Demaré
Chief Financial Officer

2005 fourth quarter and full-year results

Zurich, 16 February 2006

ABB

Agenda

■ Summary of 2005 full-year and Q4 results	Fred Kindle, CEO
■ Financial overview	Michel Demaré, CFO
■ “A look ahead”	Fred Kindle, CEO
■ Q&A	Fred Kindle Michel Demaré Dinesh Paliwal Gary Steel

"Successfully moved into a phase of profitable growth"

- Summary of 2005 full-year and Q4 results
- Financial performance
- "A look ahead"
- Q&A

ABB

Key operational developments in 2005

- Strong organic order and revenue growth in 2005
- 2005 EBIT more than $1.7 bn and EBIT margin at 7.8%
- Net income at $735 million - 1st net profit since 2000; adjusted for asbestos accounting, net income at $858 million
- Cash flow* tops $1 bn despite securitization and pension effects
- Non-core activities profitable for the year
- $393 mill corporate costs ahead of target
- Transformer restructuring well under way
- 5-year strategic plan launched
- New execution-focused organization implemented

* Cash flow from operating activities

Key financial developments in 2005

- Return on capital employed* at 13.8%
- Net debt cut by more than 50 percent to ca. $500 million
- Unfunded pension liability reduced to $837 million from $1,451 million
- Securitization reduced to level near $300 million
- Divestments continued (e.g., Finnish lease portfolio, South American Equity Venture investment, most of power lines)
- First dividend proposal since 2000: CHF 0.12 per share
- Progress on asbestos
- Rating agencies lift outlook to positive

* after tax

Summary of 2005 full-year results

($ million)	2005	2004	Change Nominal	Change Local
Orders received	23,581	21,586	9%	8%
Revenues	22,442	20,610	9%	8%
EBIT	1,742	1,046	67%	
EBIT margin (%)	7.8%	5.1%		
Loss from discontinued operations	(143)	(439)		
Net income / (loss)	735	(35)		
Cash flow from operating activities	1,012	902	12%	
Net debt (at Dec. 31)	508	1,143		

- Strong top-line growth, all organic – core divisions double-digit order growth
- EBIT and EBIT margin growth show significant progress in business execution, despite $123-million negative impact from transformer consolidation
- Strong turnaround in net income despite non-operational issues (e.g., asbestos shares)
- Cash flow at an exceptional level when adjusted for securitization and discretionary pension contributions

Divisional summary full-year 2005

($ million)	Orders received*	Revenues*	EBIT	EBIT margin
Power Technologies	10,714 (+14%)	9,784 (+11%)	789 (+30%)	8.1%
Automation Technologies	12,675 (+11%)	12,161 (+9%)	1,312 (+28%)	10.8%
Non-core activities			34 vs (62) in 2004	
Corporate			(393) vs (523) in 2004	

* Percentage change in local currencies

- Lead positions in fast-growing markets lifted top line significantly
- Operational improvements resulted in higher EBIT margins
- Non-core activities no longer a drain on Group EBIT
- Corporate costs on track to reach 2006 year-end target of $350 million

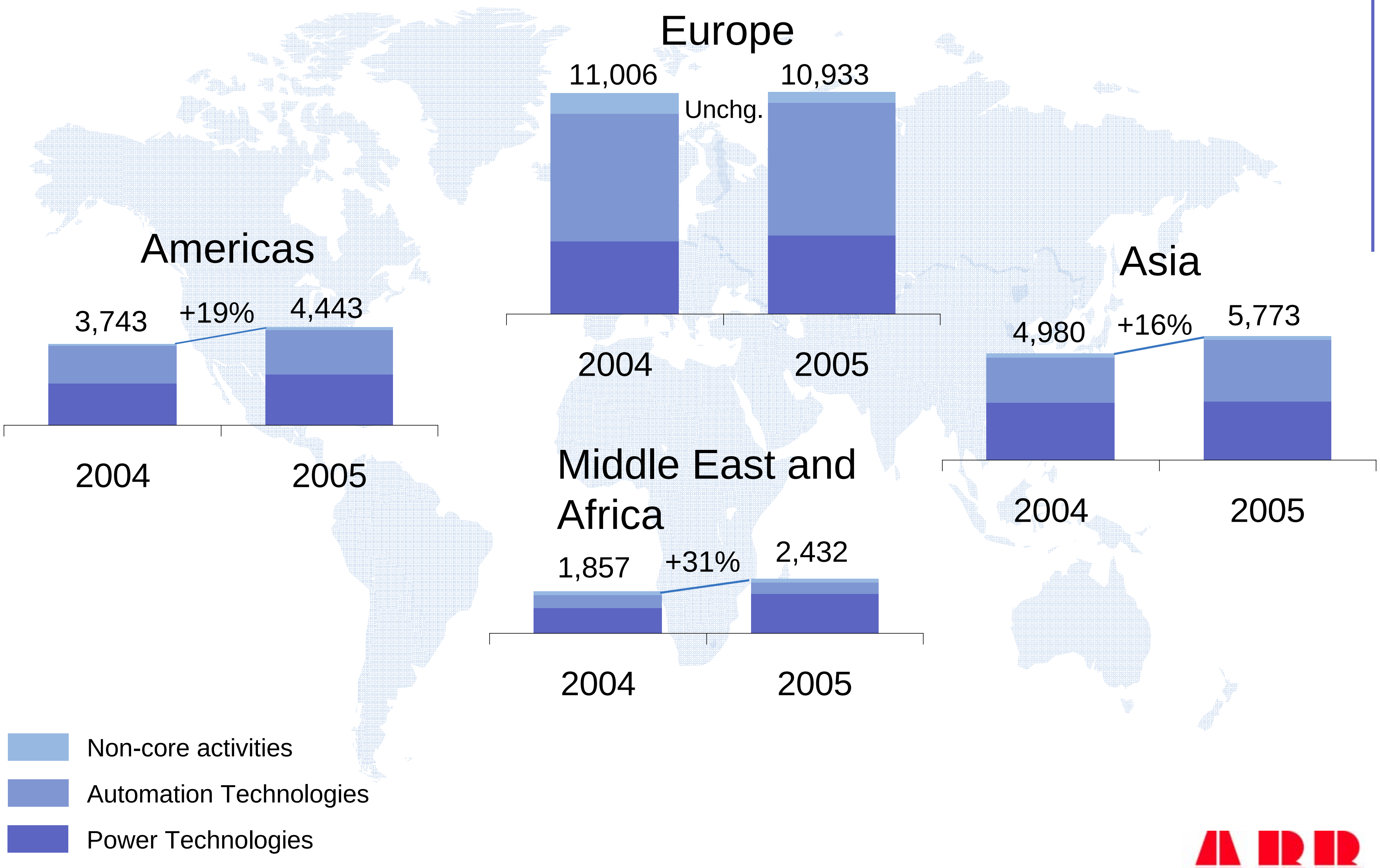
Exceeded our 2005 targets on a strong second half

EBIT margins	Original targets 2002-05[1]	Revised targets 2005	Actual 2005	
ABB Group	7.7%[2]	6.6-7.1%	7.8%	✓
Power Technologies	10.0%	6.8-7.3%	8.1%	–
Automation Technologies	10.7%	10.7%	10.8%	✓
Revenue growth[3]				
ABB Group	4.0%		6.0%	✓
Power Technologies	5.3%		6.9%	✓
Automation Technologies	3.3%		5.9%	✓
Balance sheet				
Gross debt	$4 bn		$4.1 bn	(✓)
Gearing	50%		52%	(✓)
Non-core activities		break even	$34 million	✓
Corporate costs		$450 mill or less	$393 million	✓

[1] Set in November 2002; [2] Revised in 2004 to reflect reclassification of downstream oil and gas business into continuing operations; [3] Compound average growth rate, excluding major divestitures and acquisitions, local currencies

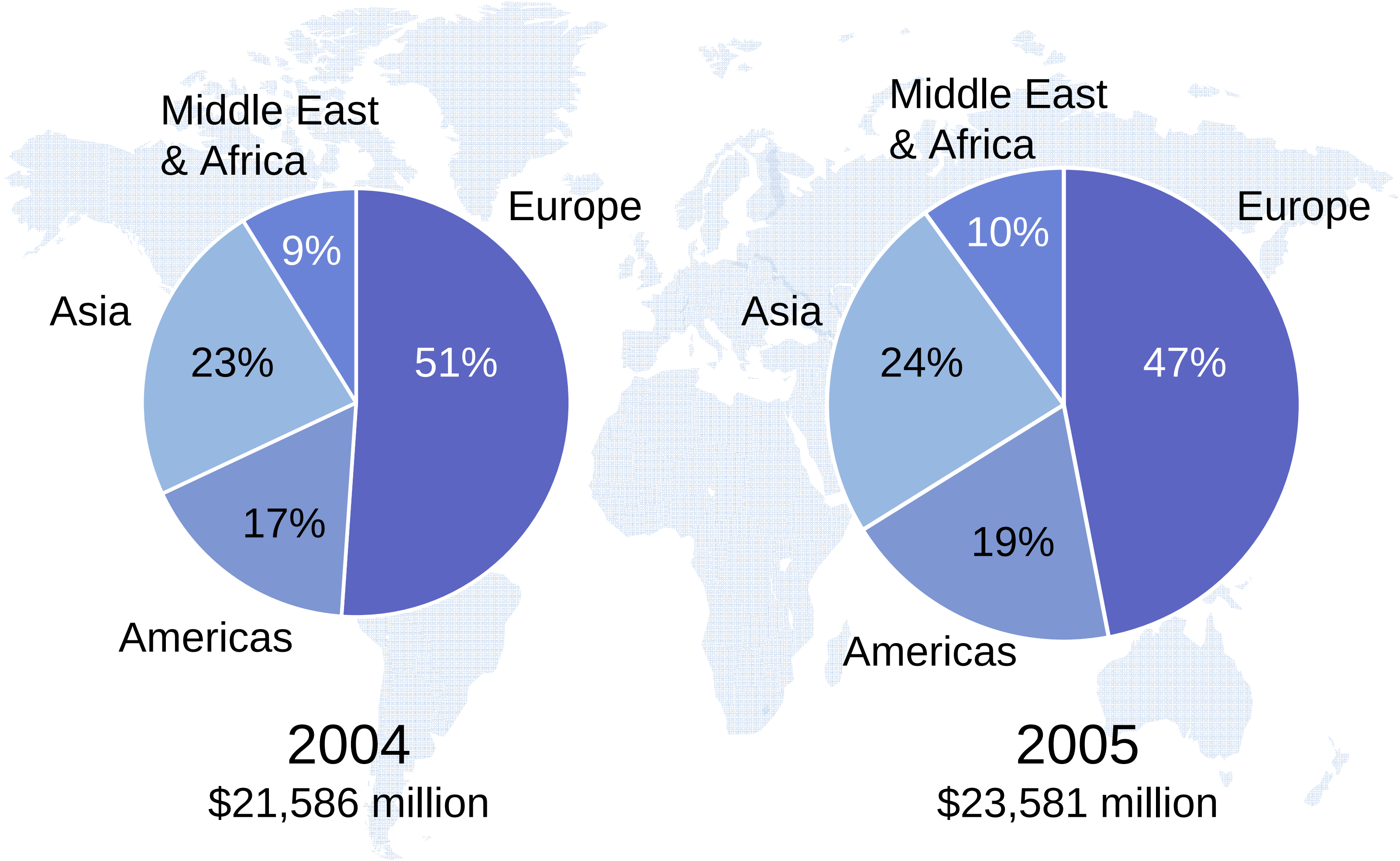
Orders by region 2005 vs 2004

Orders received in $ million and percent change, nominal



Shift in geographic order mix away from Europe

Share of total orders received (nominal) 2004 vs 2005



Key developments in Q4 2005

- Top-line growth continues Q3 trend, with combined orders from the two divisions up 19%* (12%**) and revenues up 12%* (8%**)
- Group EBIT more than doubled, despite transformer consolidation charges of $43 million
- Net income at $222 million despite $72-million expense from mark-to-market accounting of asbestos shares
- Stable cash flow when adjusted for discretionary reduced securitization and higher discretionary pension funding (total negative impact of ca. $210 million)
- Positive asbestos ruling in December from U.S. Bankruptcy Court, District Court date set for Feb. 28, 2006

* local currency change ** (in US$)

Summary of 2005 Q4 results

($ million)	Q4 05	Q4 04	Change	
			Nominal	Local
Orders received	5,571	5,200	7%	14%
Revenues	6,062	5,937	2%	7%
EBIT	520	250	108%	
EBIT margin (%)	8.6%	4.2%		
Loss from discontinued operations	(63)	(309)		
Net income / (loss)	222	(223)		
Cash flow from operating activities	695	898		

- Market growth maintained positive Q3 trend
- DiscOps loss in Q4 05 includes $72-million expense to account for asbestos-reserved ABB shares; Q4 04 includes $223-million asbestos provision
- Cash flow decline reflects higher discretionary pension funding and further reduction in securitization

Divisional summary Q4 2005

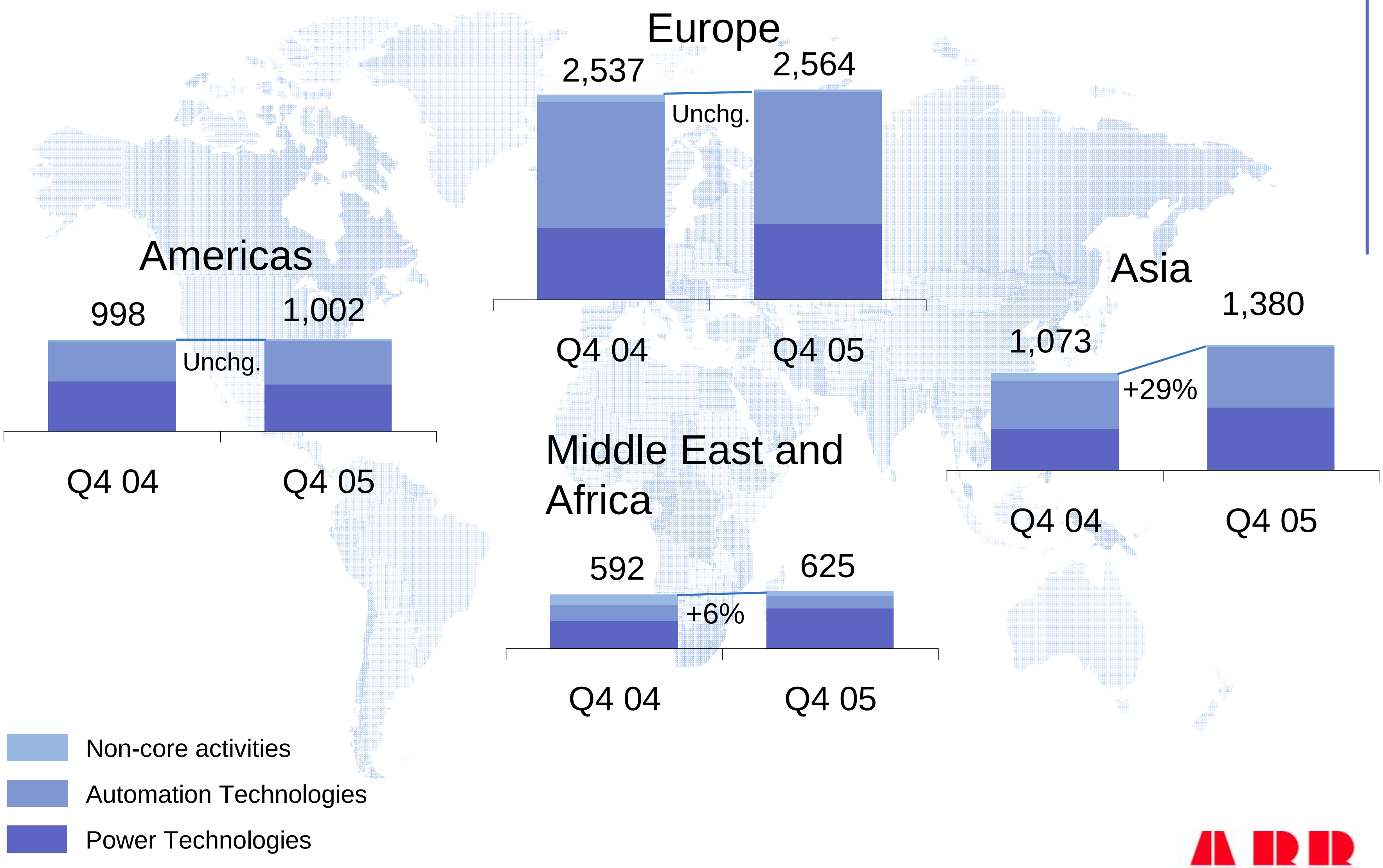
($ million)	Orders received*	Revenues*	EBIT	EBIT margin
Power Technologies	2,587 (+23%)	2,875 (+16%)	271 (+64%)	9.4%
Automation Technologies	2,925 (+15%)	3,266 (+9%)	349 (+25%)	10.7%
Non-core activities			24 vs (35) in Q4 04	
Corporate			(124) vs (159) in Q4 04	

* Percentage change in local currencies

- PT showed a clear EBIT improvement and an EBIT margin almost 3% higher than Q4 04, despite a $43-million charge for transformer consolidation
- Volumes, factory loading and project selection lifted AT EBIT
- Significant operational improvements in oil and gas and Building Systems led to profit in Non-core
- Lower Corporate costs made a major contribution to improved group profitability

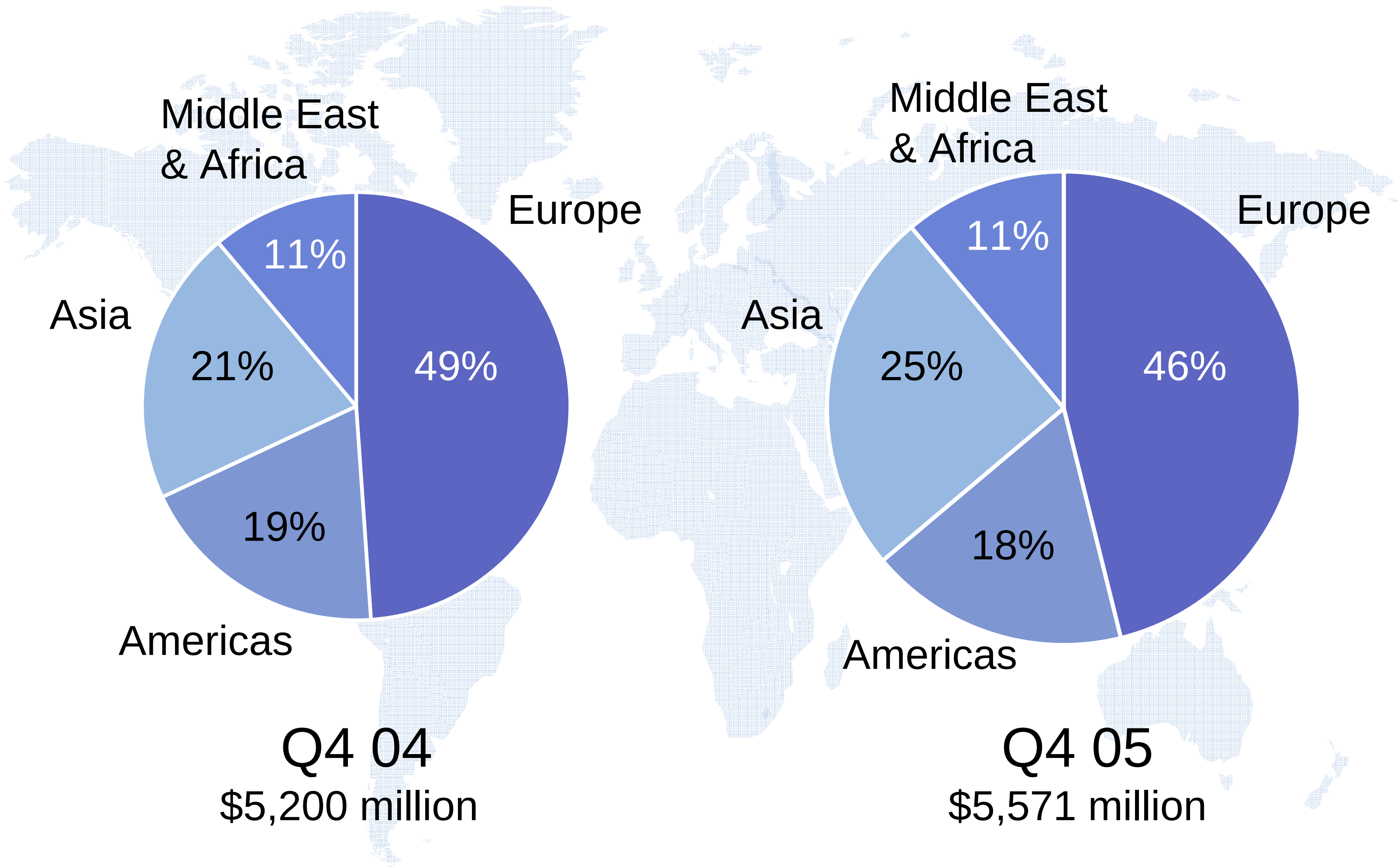
Orders by region Q4 2005 vs Q4 2004

Orders received in $ million and percent change, nominal



Asia again led geographic shift in order mix

Share of total orders received (nominal) Q4 04 vs Q4 05



Innovation key to competitive advantage

Total 2005 R&D and order-related development spend in two divisions and corporate of ca. $960 mill

- 6,000 researchers and developers worldwide
- Recent cost and productivity enhancing innovations:
  - *PSGuard*™ wide area monitoring to prevent blackouts
  - Fibre optic high-current DC sensor for industry
  - World's 1st offshore platform powered from shore using HVDC Light™, new high-voltage motors, no transformer required on platform

Update on asbestos

- ABB’s revised Chapter 11 Plan of Reorganization for U.S. subsidiary Combustion Engineering approved Dec. 19, 2005 by U.S. Bankruptcy Court, with no appeals filed
- District Court hearing date set for Feb. 28, 2006
- Judge has indicated he will issue confirmation on that date if no objections filed by Feb. 21
- Ruling to be followed by 30-day appeals period
- Total provision remaining on balance sheet = $1,128 million
- Separate solution being considered for ABB Lummus Global Inc.
- Senate approval of asbestos legislation a positive sign, but many hurdles remain

2005 Q4 and full-year summary

Power Technologies

$ millions	Q4 05	Q4 04	Change Nominal	Change Local	2005	2004	Change Nominal	Change Local
Orders	2,587	2,208	17%	23%	10,714	9,304	15%	14%
Revenues	2,875	2,550	13%	16%	9,784	8,675	13%	11%
EBIT	271	165	64%		789	608	30%	
EBIT margin	9.4%	6.5%			8.1%	7.0%		
Cash flow from ops	428	453	-6%		681	498	37%	

- Double-digit order and revenue growth, with strongest demand in Asia and Middle East; product orders up in the U.S.; European growth still modest but improved in H2
- EBIT margins higher in both business areas on operational and productivity improvements, higher factory loading/capacity utilization, and better project selection and execution; 64% improvement in Q4 vs year-earlier period
- EBIT includes transformer consolidation charges of $123 million (Q4: $43 million)
- Full-year cash flow up on stronger earnings; Q4 lower than same quarter in 2004 due to more even distribution of project milestone payments over the year

2005 Q4 and full-year summary

Automation Technologies

$ millions	Q4 05	Q4 04	Change		2005	2004	Change	
			Nominal	Local			Nominal	Local
Orders	2,925	2,715	8%	15%	12,675	11,301	12%	11%
Revenues	3,266	3,158	3%	9%	12,161	11,000	11%	9%
EBIT	349	279	25%		1,312	1,023	28%	
EBIT margin	10.7%	8.8%			10.8%	9.3%		
Cash flow from ops	349	529	-34%		709	1090	-35%	

- Strong markets in 2005 supported higher orders and revenues, with growth in most industrial sectors, led by marine and minerals; orders up in all regions except Middle East, where several large orders were booked in 2004
- Q4 was 13th straight quarter of higher revenues and EBIT
- EBIT lifted by higher factory loading in Automation Products and better project selection and execution in Process Automation; Manufacturing Automation EBIT lower due to restructuring costs
- Cash flow impacted by a negative $386 million from reduced securitization (Q4: $66 million); higher full-year earnings offset by higher working capital requirements to support growth

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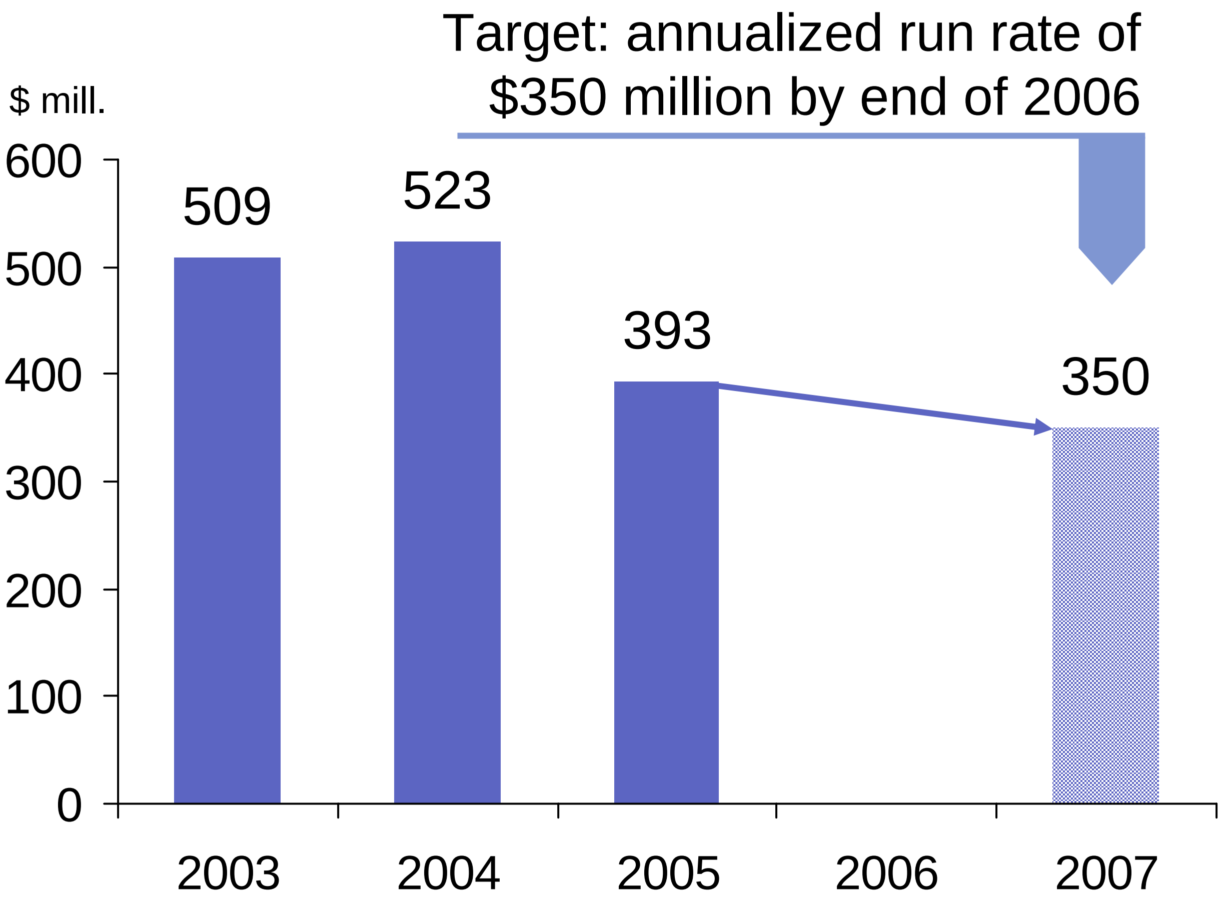
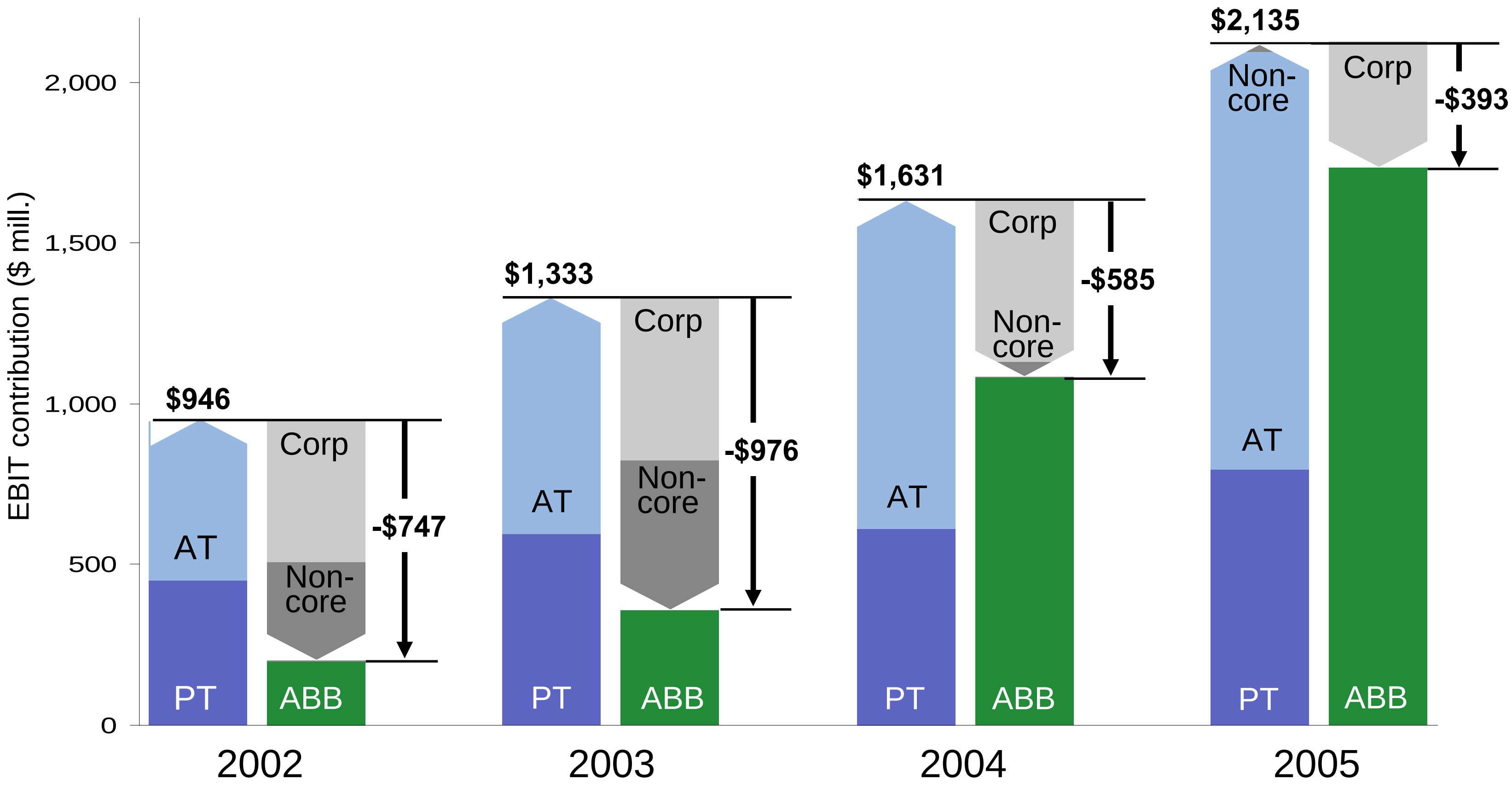
Further reductions in Corporate costs expected

Corporate costs 2003-2007, $ millions

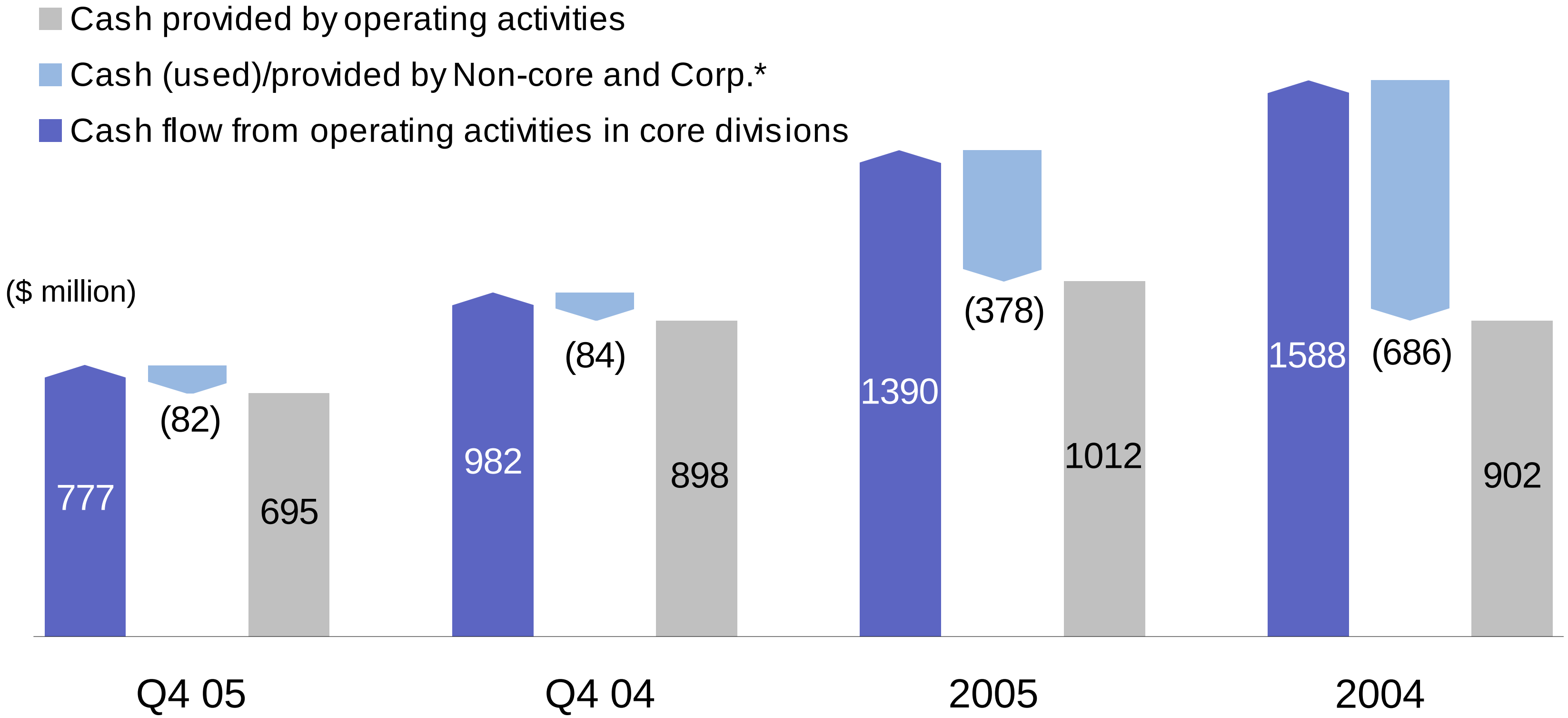


Clearer business focus, higher EBIT

- Steadily reducing profit drain from Non-core activities and Corporate



Cash flow from operating activities



- 2005 cash flow includes negative $489 million from reduced securitization and ca. $130 million from higher discretionary pension funding

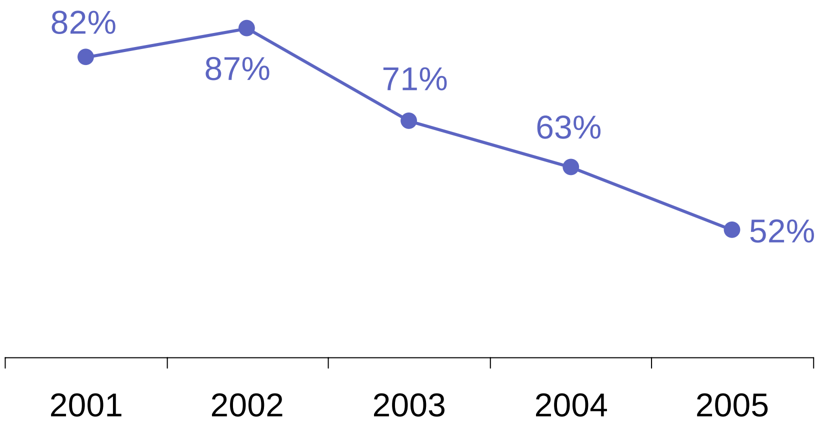
* incl. Treasury activities

2005: Strengthening ABB's financial foundations

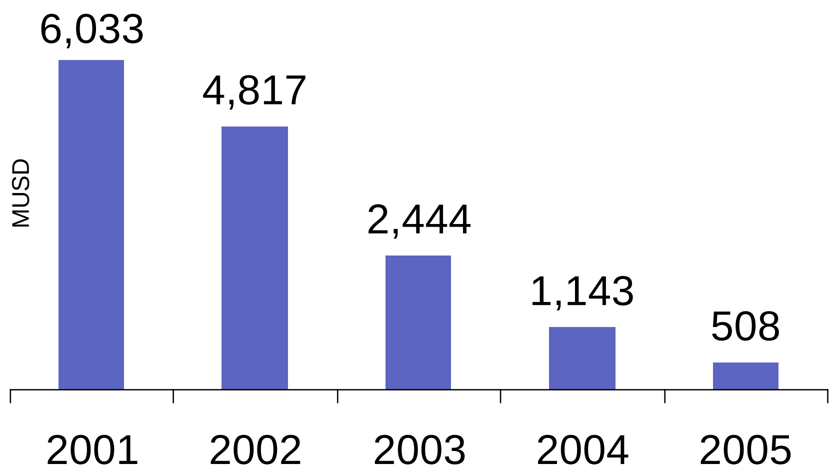
- Higher operating cash flows used mainly to reduce ABB's financial obligations (on- and off-balance sheet)
- Divestments were continued, e.g., Finnish lease portfolio, Termobahia, other non-core and financial assets
- Repayment of two maturing bonds ($384 million) and repurchase of CHF 390 million Swiss franc bonds
- Securitization obligations reduced by $600 million
- Discretionary pension funding of ca. $400 million
- Leasing obligations winding down
- New $2 bn credit facility signed in July at investment-grade terms
- Rating agencies lifted outlook to positive

Key financial data: On the way to investment grade

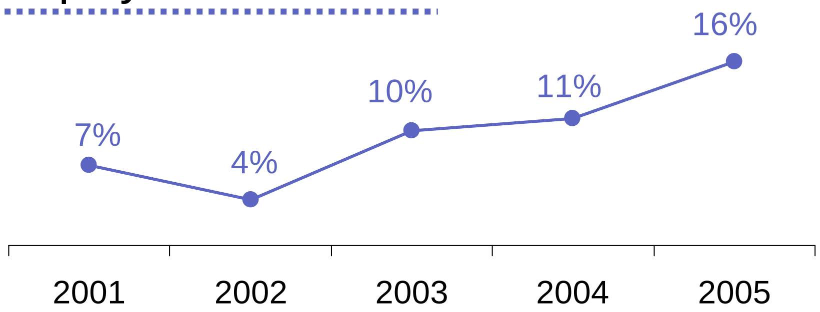
Gearing



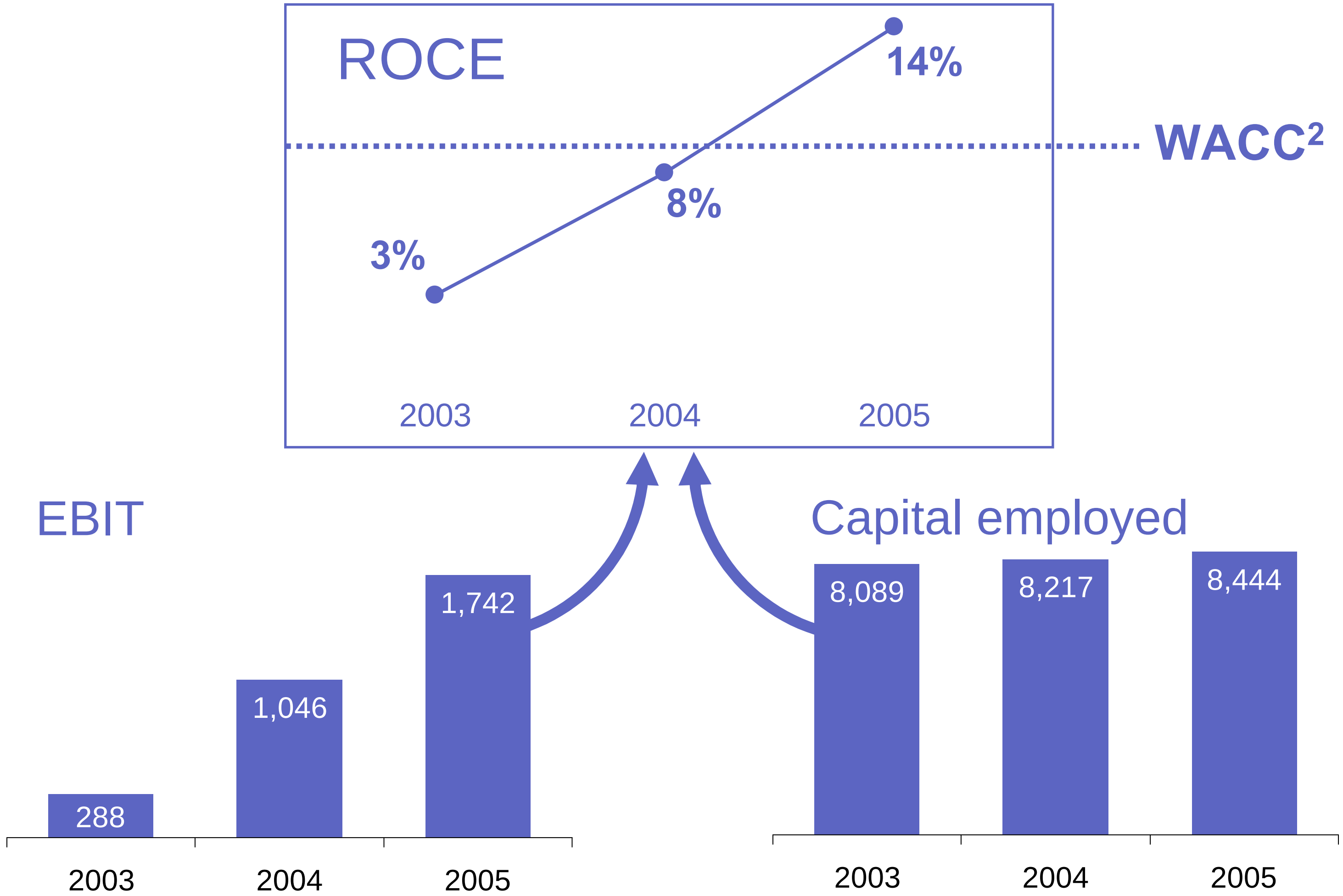
Net debt



Equity/Total assets



Return on capital employed[1] 2003-2005



[1] after tax [2] Weighted average cost of capital

Dividend recommendation

- ABB Ltd Board of Directors proposes a dividend for 2005 of CHF 0.12 per share
- First dividend proposal since fiscal year 2000
- Based on current share count and year-end 2005 exchange rate, the proposal represents 26% of ABB's 2005 net income
- Subject to approval by Annual General Meeting on May 4, 2006
- Assuming approval, the ex-dividend date would be May 9, 2006

Financial strategy 2006

- Continue 2005 strategy:
  - Opportunistic debt reduction
  - Discretionary pension funding
  - Optimize off-balance sheet obligations
- Increase focus on balance sheet structure, promote ABB to the "first league"
- Reduce net finance expense
- Extend maturities of debt portfolio
- Continue securing flexible sources of financing

… and recover investment grade status in 2006

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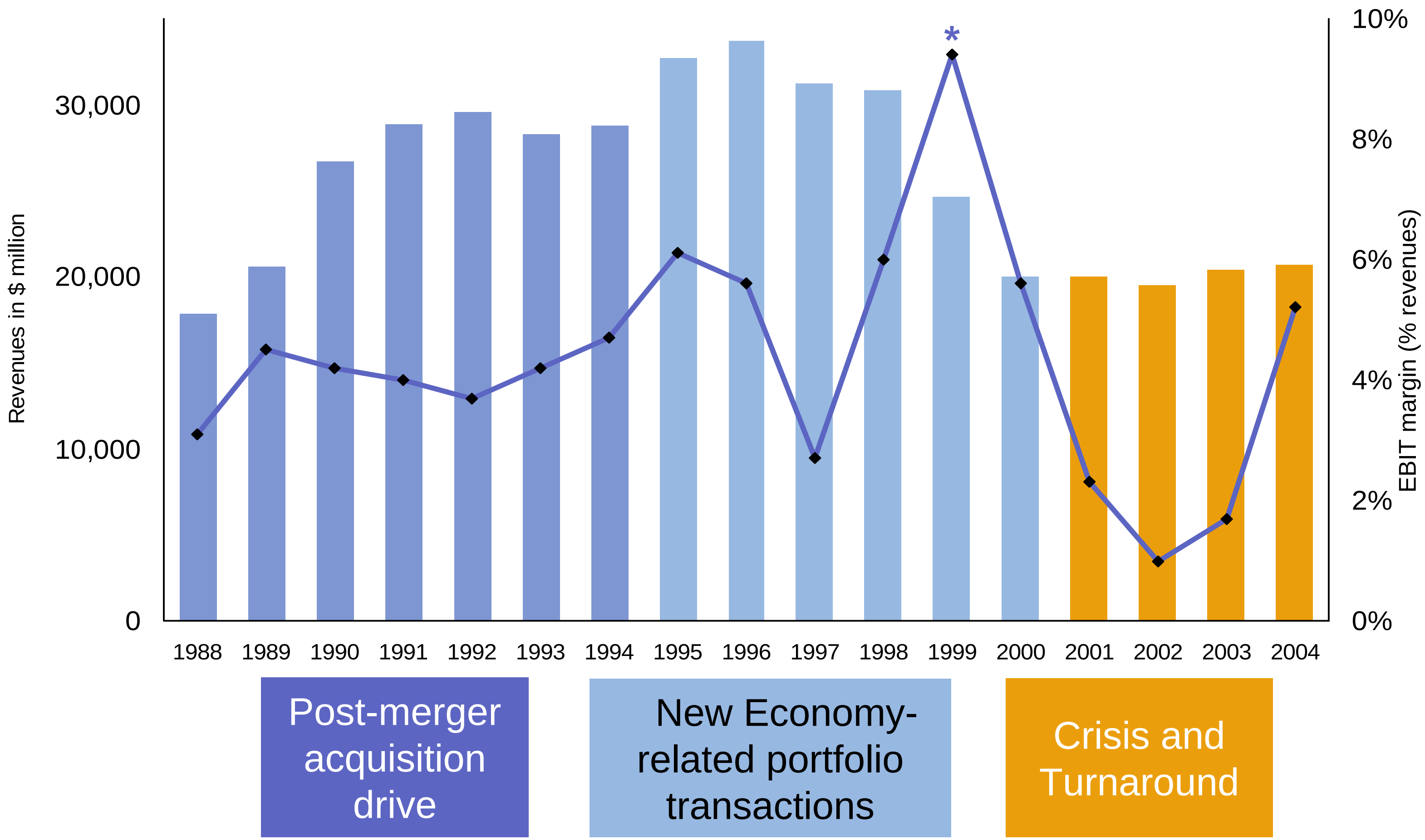
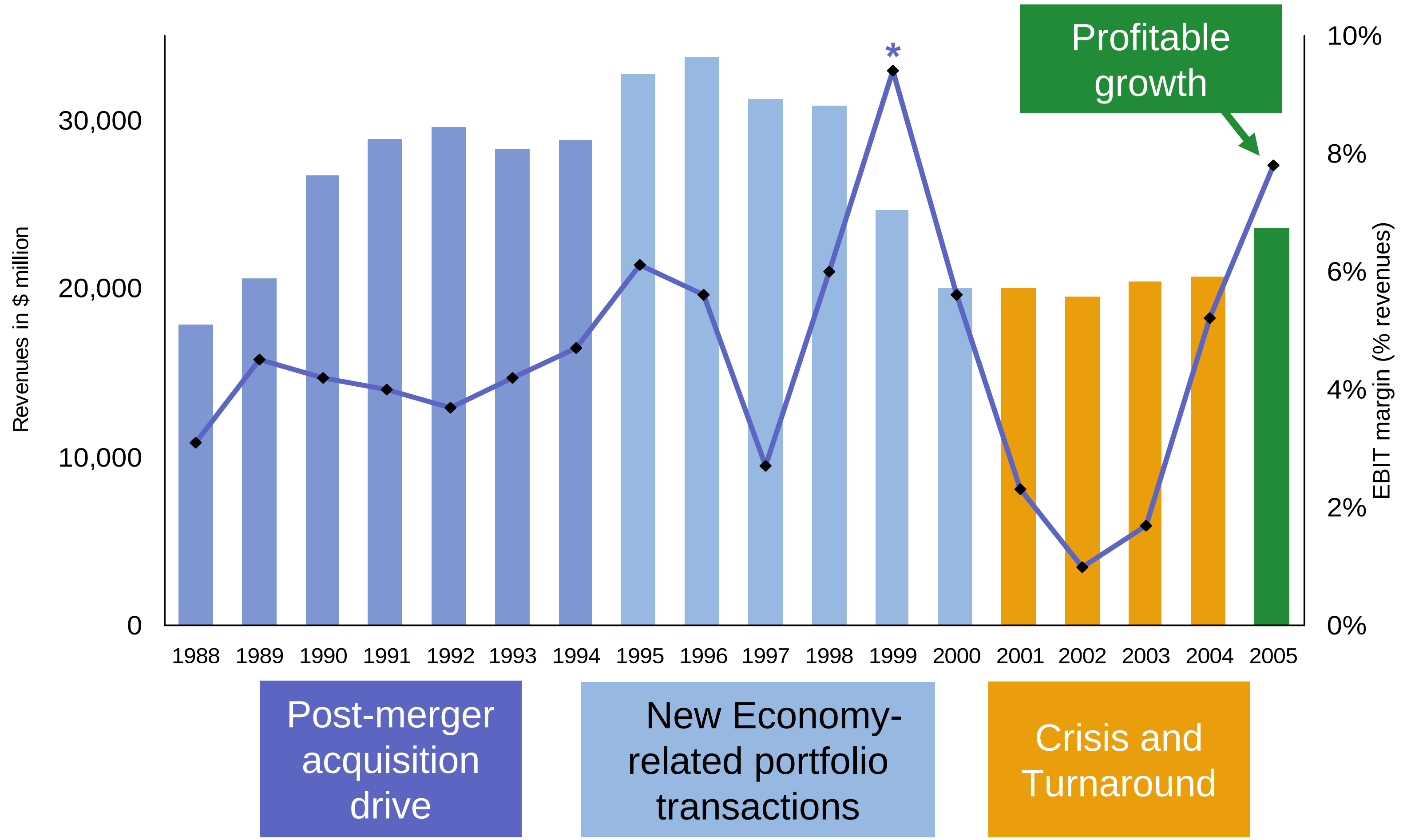
2005: Starting the "profitable growth" phase



Source: 1988-1993 and 1998-1999 as per respective annual reports; 1994-1997 as per 1997 annual report; 2000 to 2004 as per the 2004 Form 20-F filing with the U.S. Securities and Exchange Commission.

* 1999 EBIT includes major gains from divestitures

2005: Starting the "profitable growth" phase



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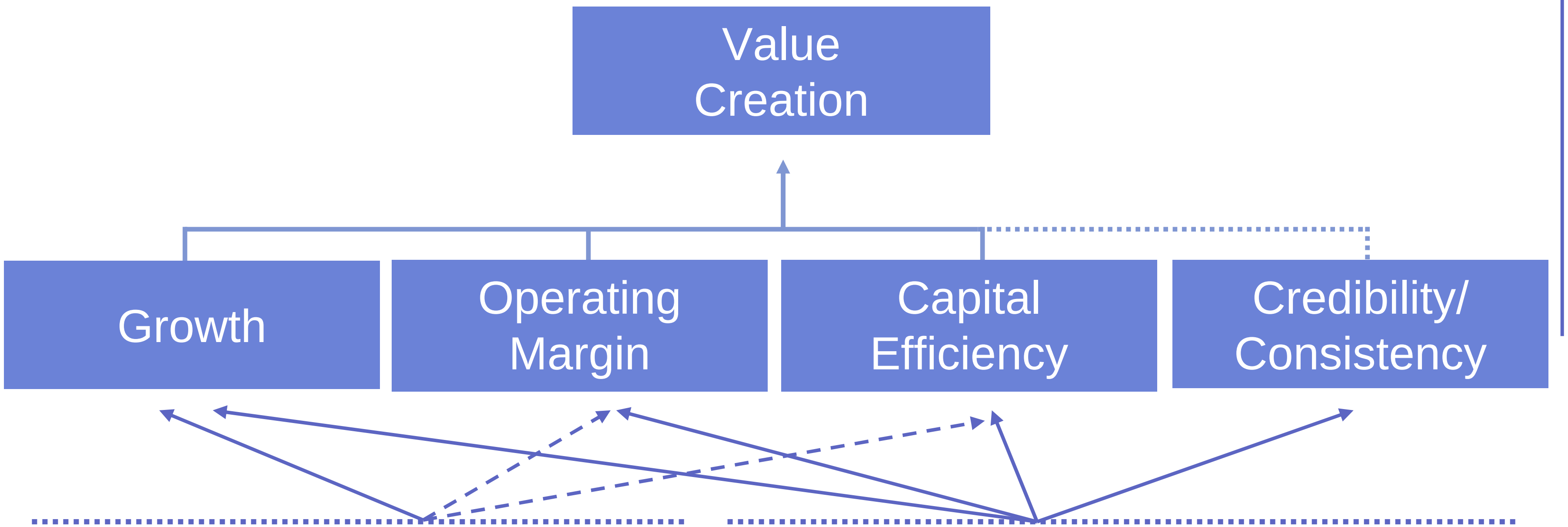
Shifting focus in value creation



Focus 1990s:

- Superior growth through acquisitions
- Operating profit propped up by non-operational items
- Very high debt leverage to drive ROE
- Extreme decentralization as corporate architecture

Focus 2005-2009:

- Drive operating margin, consistent EPS growth
- Maintain organic growth momentum
- Improve capital efficiency via operating measures
- Disciplined acquisitions approach
- Focus corporate architecture on execution

Shifting focus in value creation

Value Creation

Growth	Operating Margin	Capital Efficiency	Credibility/ Consistency

Orders[1]

- Group +9%
- AT +12%
- PT +15%

Revenues[1]

- Group +8%
- AT +9%
- PT +11%

EBIT

- Group 7.8%
- AT 10.8%
- PT 8.1%

… despite significant special charges

ROCE

- Pre-tax 20%
- After tax 14%

ROE[2] 23.5%

Adjusted communication strategy to enhance

- transparency
- reliability
- consistency

1 local currency change 2 Net income / avg. shareholders equity (incl. minority int.)

Making profitable growth happen …

Strategy

Strategy is sound,
no big fix needed

- Portfolio – in the right businesses
- Product/market – lead positions, technology
- Geographic priorities – in the right markets
- Acquisitions – more important long-term

Execution

Highest priority

- Maintain attractive organic growth – market-driven company, technology, service
- Drive operating margins – cost and productivity, risk control
- Execution framework – processes, business reviews, flat organization, Global Markets & Technology, compliance

People

Good foundation,
further development

- Quality – attractive employer, focused development
- Attitudes – values, leadership, business ethics
- Corporate culture – execution focus, learning better

ABB

Targets 2009 versus actual 2005 performance

Group targets

	2009 Target	2005 actual
Revenue growth[1]	> 5%	9%[2]
EBIT margin	> 10%	7.8%
Net margin	> 5%	3.3%
ROCE[3]	Mid-teens	13.9%
Free cash flow (FCF) as % net income	100%	123%

Divisional targets

	Revenue growth[1]	Growth 2004-2005	EBIT margin 2009	EBIT margin 2005
Power Products	> 6%	12%	> 11%	9.4%
Power Systems	> 5%	9%	> 6%	4.6%
Automation Products	> 5%	9%	> 14%	13.9%
Process Automation	> 5%	8%	> 9%	8.0%
Robotics	> 4%	23%	> 9%	5.4%

[1] Compound average growth rate (CAGR) 2005-2009 at constant exchange rates and excluding major acquisitions and divestitures
[2] Revenue growth 2004 to 2005 [3] Return on capital employed (after tax)

Outlook for 2006 (and 2009)

2006

ABB backlog: Better start than a year ago

Trading environment in line with H2 05

- Overall favorable markets
- Only a few sectors with low activity

Some regions with upside potential

- Europe finally growing again?
- North America with pluses and minuses
- New markets strong

Special risk factors

- Middle East, oil price, terror, avian flu

Positive outlook

2009

Impossible to forecast

- Use scenarios
- Likelihood of a downturn in 2007-08
- 2005-06 as above-average period?

ABB-specific factors

- Globally diversified
- Partly dependent on industrial GDP development
- Long-term outlook in power sector is attractive

2009 targets remain, outlook somewhat more favorable

Transition to revised divisional structure

*Estimated 2005 revenues**

Power Products
Sales: $6.4 bn

High- and medium-voltage switchgear, breakers, transformers, etc.

Power Systems
Sales: $4.0 bn

HVDC, HVDC Light, FACTS, power plant & network automation, substations

Automation Products
Sales: $5.9 bn

Low-voltage products and systems, drives, motors, power electronics, etc.

Process Automation
Sales: $5.0 bn

Automation solutions for process industries

Robotics
Sales: $1.7 bn

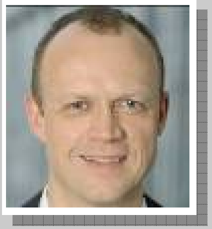
Robots, robotic systems and services

- Previous business areas “promoted” to new divisions
- Same scope of business, no reorganization required
- Greater transparency internally and externally

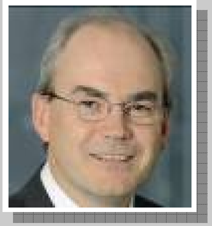
* Including internal sales to other divisions

ABB

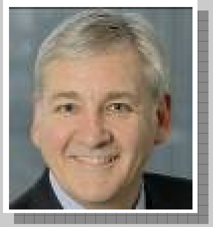
ABB Executive Committee 2006



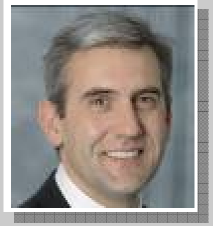
Fred Kindle
CEO



Michel Demaré
CFO

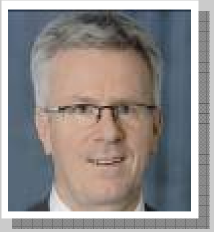


Gary Steel
HR

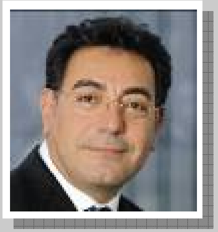


Ulrich Spiesshofer
Corporate Development

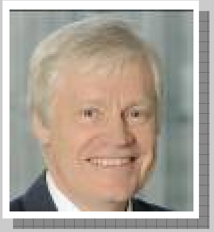
Dinesh Paliwal
Global Markets & Technology



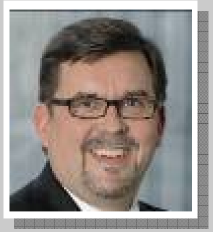
Bernhard Jucker
Power Products



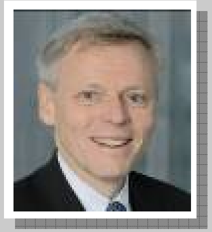
Samir Brikho
Power Systems



Tom Sjökvist
Automation Products



Veli-Matti Reinikkala
Process Automation



Anders Jonsson
Robotics

Power and productivity
for a better world™